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# Republican Policy Committee

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Don Nickles, Chairman Kelly Johnston, Staff Director 347 Russell Senate Office Building (202)224-2946  
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## From Deficits to Ketchup

### Clinton's War on the Truth

*"To borrow a phrase from the law of libel, the Clinton White House often seems to be following a pattern of knowing or reckless disregard for the truth. Apparently putting its short-term political interests ahead of accuracy, it regularly fails to provide trustworthy information — whether out of inability, unwillingness or both. Examples of this inclination range from trivial to significant, but they are legion. . ."*

Ruth Marcus, White House reporter for the  
*Washington Post*, August 21, 1994

From Whitewater to White House budget savings, from deficits to ketchup, there is a disturbing pattern of broken promises and blatant misstatements by the President and spokespersons for his Administration.

Examples are, as even the *Washington Post's* reporter notes above, legion. In the above analysis, the author outlined several instances where reporters were misled, including the firings at the White House travel office, the issue of turning over Whitewater papers to the Justice Department, and even circumstances surrounding the appointment of Leon Panetta as chief of staff.

While this paper does not attempt to be comprehensive, many White House misstatements on important policy issues are worth reviewing and correcting for the historical record. Here are just a few.

### School Lunches and Ketchup: Lots of Baloney

On February 22, White House Chief of Staff Leon Panetta angrily responded to a House subcommittee plan to convert several federal food and nutrition programs — school lunches and special nutrition programs for pregnant women and young children, most notably — into large block grants to states. Brandishing a bottle of ketchup, Panetta uttered these words:

*"Back in the 1980s they tried to make ketchup a vegetable. Now what they're trying to do is literally take away meals from kids. It isn't just simply saying that ketchup is a vegetable; they're basically saying we ought not to even provide ketchup for kids as well."*

This is a tale that has been retold by countless others and restated again recently by the Senate Democratic Policy Committee ["Women and Children First?" March 1].

The national school lunch program is the largest federal child nutrition program. In FY94, it operated in nearly all the Nation's elementary and secondary schools (over 88,000) and was available to over 44.3 million children, of whom about 58 percent participated, according to the Congressional Research Service.

Here's what really happened "back in the 1980s": the USDA proposed in 1982 to allow schools to count certain items toward the meal pattern requirement for the school lunch program, but the proposal was not related to the nutritional requirements of the program. The proposed regulation, which was driven by a congressional demand to help schools economize following budget reductions, used "pickle relish" as an example of an item that might be given credit toward (but not substituting for) the required vegetable serving. In fact, *ketchup was never mentioned*.

### School Lunches Not Cut

The House-passed proposal would increase spending on school lunches to \$4.7 billion in FY96 — a \$203 million increase over the current year, a 4.5 percent increase, *more than the 3.1 percent increase provided for in the President's FY96 budget proposal*. The program would continue to increase by 4 percent per year for the next five years. The House's changes would free up states from an estimated 196 regulations and permit them to set nutrition standards while targeting 80 percent of the funds to school meals for low-income students.

However, in 1994, the Clinton Administration proposed changes in the meal pattern requirements for school lunches that would have eliminated the requirement for servings of fruits and vegetables and other food items. Their proposed nutrient standard approach, according to the Food Research and Action Center, would mean "inexpensive calories could be added to reach the one-third RDA [Recommended Daily Allowance] goals by using large amounts of sugar in selected menu items." This means that schools would be permitted to count calories from, say, ketchup (which contains large amounts of sugar) toward the proposed nutrient standard. In other words, *the Clinton Administration proposed including ketchup's calories to count toward nutritional minimums in school lunches*. Perhaps their affection for the condiment is too strong.

## White House Budget Cuts — Not

During the 1992 campaign, candidate Bill Clinton promised to cut White House staff 25 percent. On February 9, 1993, the Clinton Administration claimed to have met that promise by eliminating some 350 jobs. Unfortunately for the brains behind this creative accounting scheme, *the reality is that they were nearly 200 jobs shy of the staff reductions promised*.

One-third of the "cuts" the President claimed credit for were detailees from agencies who already were required to return to their former positions. Another third of his cuts

weakened considerably the Office of National Drug Control Policy, a move which the office's first director, William Bennett, called "outrageous." In addition, *out of a \$200 million budget, the cuts yielded savings of only \$10 million — a 5 percent cut.*

Worst of all, while making this phony claim, the Administration was busily preparing a supplemental appropriation request to hire an additional 50 new staffers. [For more information, see *RPC Reality Check*, "Clinton White House Cuts: Staff Slice, Budget Savings Short of 25 Percent Promise," February 10, 1993.]

## **The Clinton Economic Plan: Package of Broken Promises**

Bill Clinton came to Washington with specific economic promises that won him a large number of votes — "My plan will cut the deficit in half within four years" (June 20, 1992); "I will not raise taxes on the middle class to pay for these programs" (October 19, 1992); and "I am going to stop handing down mandates and regulating you to death" (June 22, 1992).

As proposed, President Clinton's FY 1994 budget and economic plan:

- Raised taxes and user fees by at least \$291 billion over five years, including the infamous BTU tax
- Reduced spending for only 23 programs (not 150 as he claimed)
- Called for \$168 billion in new spending, and
- Guaranteed annual deficits of at least \$200 billion for the foreseeable future, adding more than \$1 trillion in new deficit spending during his four-year term.

## **Deficit Trust Fund: More Flim-Flam**

In May 1993, President Clinton proposed the creation of a "legally separate" deficit trust fund into which all revenue from his \$291 billion tax and fee hikes would be parked and assigned to deficit reduction. Basically, "you trust, he funds."

But, in the federal budget, all spending and taxes are counted together. If tax revenues are dedicated to some trust fund without any guaranteed corresponding reduction in government spending, the deficit will increase. When asked what would really change under the President's scheme, Deputy OMB Director Alice Rivlin said, "*nothing*" (*Washington Post*, May 12, 1993).

## **"No Taxes Without the Cuts"**

On May 22, 1993, President Clinton's Saturday radio address pitched his tax and spend economic plan and budget. He said "*there will be no taxes without the cuts.*"

Yet, under his 1994 budget, more than 83 percent of Clinton's spending "cuts" are scheduled to go into effect *after* the 1996 election, while many of his tax proposals were retroactive to January 1, 1993.

## Social Security Thievery

*"Republicans in Washington have repeatedly tried to cut programs that protect the rights and prosperity of older Americans. We think that's wrong."*

Candidate Bill Clinton, *Putting People First*

In his FY94 budget proposal and economic program, *President Clinton proposed a 70-percent tax increase on certain Social Security benefits* to pay for new spending programs. Clinton proposed subjecting up to 85 percent of Social Security benefits to taxation for seniors who earned more than \$25,000 if single, \$32,000 if married. Previous law taxed up to 50 percent of the benefits for earnings exceeding those thresholds. By the time Congress finally passed the budget reconciliation bill in August 1994 (on a party-line vote, with Republicans unanimously voting no), the thresholds were increased to \$34,000 for singles, \$44,000 for couples.

## "Eight Million New Jobs"

In August 1993 President Clinton, in a national address designed to help his budget plan pass Congress, claimed that "with this plan in place, the economy will grow and more than eight million new jobs will be created in the next four years."

Yet, the Congressional Budget Office earlier had estimated that with *no budget plan, the economy would create 9.4 million jobs on its own over the next four years*. The President's comments make clear that by his own calculation, his plan would prevent the creation of approximately 1 million new jobs. *The current job growth that President Clinton likes to take credit for occurred despite, not because of, his budget and economic policies.*

## Somali Folly

In an October 13, 1993 report to Congress, President Clinton said that regarding U. S. troops in Somalia, *"The U. S. military mission is not now nor was it ever one of 'nation-building.'"* Just 10 days earlier, 18 U. S. Army Rangers were killed, 78 wounded and 1 captured in an attack by forces loyal to Somali warlord Mohamed Farah Aideed. This occurred after then-Defense Secretary Les Aspin had denied requests from military officials to provide the Rangers with armor, the lack of which directly related to the high number of casualties.

Not nation building, Clinton said. But this is what he said less than four months earlier (June 16, 1993): *"The ultimate goal is to make sure the United Nations can fulfill its mission there and continue to work with the Somalis toward nation building."* This comment

followed a May 26, 1993 Security Council vote to add nation-building to the Somali mission. United States Ambassador Albright voted yes.

## **Toughest, Smartest Crime Bill?**

*"We have a chance to pass the toughest, smartest crime bill in the history of the United States . . . It will put 100,000 police officers on the streets of our communities."*

President Clinton, August 3, 1994

President Clinton's original crime bill added an estimated \$8.7 billion in new social spending and nearly 30 new social programs that diverted resources needed to fight crime or to reduce the deficit. The legislation he supported supplied just a tiny portion of the money needed to put and keep 100,000 new cops on the beat for the next six years, creating a huge new unfunded mandate on state and local governments. It dumped on them the responsibility and cost of following through on the President's promise.

## **One-Size-Fits-All Government Health Insurance**

*"We want to guarantee private, not government insurance for every American . . . you can keep your own plan or pick a better one."*

President Clinton, August 3, 1994

All the Clinton health-care reform plans in 1994 (Clinton, Clinton-Mitchell, Clinton-Gephardt) would have outlawed nearly every current health plan, leaving people with the choice of the government-designed plan or no plan at all. The President's original Health Security Act would have forced Americans to obtain their health insurance from their state's government-run alliance. It would have put more than 100 million Americans into health plans designed and subsidized by the federal government.

## **This is Reducing Government?**

*". . . our Administration has actually cut over a quarter of a trillion dollars in federal spending, we have reduced more than 300 domestic programs, we have eliminated more than 100,000 people from the federal payroll, and we have used the savings from the payroll reduction to put 100,000 more police officers on our streets . . ."*

President Clinton, February 14, 1995

Wrong. The Clinton Administration has not cut federal spending, has focused its job reductions on the Defense Department, and has absolutely not put 100,000 more police officers on the street. [See RPC paper, "Trouble with the Truth . . . Again," February 24, 1995.]

According to the CBO, savings from spending reductions between FY93-FY98 will total only \$88 billion, and *not a single dollar of spending cuts will be realized until FY96*, if then. State and local governments will have to come up with multi-billions of dollars more to

actually put 100,000 new police on the streets — money they largely do not have. Furthermore, 75 percent of the Clinton Administration's federal job cuts come from the Department of Defense (130,800 from FY93-98), even though Defense employment equals only 43 percent of the base federal workforce (in FY93).

In fact, the Clinton Administration actually plans to *increase* federal employment at such stellar, productive, and essential agencies as the Small Business Administration, Department of Energy, and Department of Education.

## Government's "Operating Costs"

*"Indeed, the government budget today for the first time in 30 years is actually in surplus in its operating cost. That is, except for interest on the debt, we have a surplus today — except for interest on the debt."*

President Clinton, March 30, 1995

Yet, here's the reality:

Fiscal Year	Net Interest	(in billions of dollars.)	
		Budget Balance	Operating Balance
1989	169.266	-152.481	+16.785
1979	42.636	-40.729	+1.907
1974	21.449	-6.135	+15.314
1973	17.349	-14.908	+2.441
1970	14.380	-2.842	+11.538
1969	12.699	+3.242	+15.941
1967	10.268	-8.643	+1.625
1966	9.386	-3.698	+5.688
1965	8.591	+1.411	+7.180

(Source: FY96 Budget Proposal, 2/95)

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Staff Contact: Kelly Johnston, 224-2946